

MICHIGAN AERONAUTICS COMMISSION

Minutes of Meeting
Boyne Falls, Michigan
September 19, 2007

Pursuant to Section 31 of Act 327 of the Public Acts of 1945, the Commissioners of the Michigan Aeronautics Commission (MAC), created by said act, met in Vienna-B Conference Room, Boyne Mountain Lodge, One Boyne Mountain Road, Boyne Falls, Michigan, on Wednesday, September 19, 2007, commencing at the hour of approximately 10:00 a.m.

Members Present

James Collins, Chairman
Joyce Woods, Vice Chair
Terry Everman, Commissioner
Sidney Adams, Jr., Commissioner
J. William Prochazka, Commissioner
Leon Hank, Designee - MDOT
Dennis Fedewa, Designee – MDNR
Rob Abent, Commission Director

Staff

Barbara Burris, Executive Division
Rick Hammond, Airports Division
Pauline Misjak, Aviation Services
David Baker, Airports Division
Gerry Edwards, Aviation Services
Mark Noel, Airports Division

Members Absent

Richard Elliott, Designee – DMVA
Daniel Atkinson, Designee - MSP

Also Present

Ray Howd, Assistant Attorney General
Fred Rakunas, former MAC Commissioner
Bill Blake, AOPA Regional Representative

A list of all others present is attached to the official minutes.

I. OPENING REMARKS

The September 19, 2007, Aeronautics Commission meeting was called to order by Chairman James Collins at 10:00 a.m. He welcomed the many airport managers and others in attendance. He extended a special welcome to former MAC Commissioner Fred Rakunas and his wife, Gwen, from Torch Lake.

For the record, the Chairman noted the absence of Statutory Designees Richard Elliott of the Department of Military and Veterans Affairs and Dan Atkinson of the Department of State Police. He recognized the attendance of MDOT Designee Leon Hank, on behalf of Commissioner Steudle, and that of Ray Howd, on behalf of House Counsel Pat Isom.

A joke told by the Chairman was met with hearty laughter.

II. PRESENTATIONS

In 1990, the Michigan Aeronautics Commission established an annual award program known as the MAC Awards of Excellence. Each year, the Aeronautics Commission recognizes one individual and one group for their outstanding achievements and/or contributions to aviation.

Mr. Harvey Setter was asked to come forward to receive the 2007 individual MAC Award of Excellence. Together, Chairman Collins and Director Abent presented the award.

Speaking on behalf of the Chair and the Commission, Director Abent saluted Mr. Setter for his many years of service as the manager of the Delta County Airport and, most recently, his over seven years' service as the Executive Director of the Michigan Association of Airport Executives. He thanked Mr. Setter for his dedicated service to the aviation community.

Mr. Setter thanked the Commissioners and members of the MAAE board for their support over the years and encouraged them to continue to present a unified voice on issues of import to the aviation community.

The Chairman announced that the second MAC Award of Excellence was slated for presentation to the Lansing Community College Aviation Technology Program. Messrs. Dan Monette and Howard Dillman had planned to be in attendance but had to cancel. The award will be presented at the meeting scheduled for November 28 in Lansing.

Turning to the next item of business, the Chairman entertained a motion for approval of the Minutes of July 25, subject to any changes or corrections.

III. COMMISSION BUSINESS

A. Minutes of July 25, 2007

It was moved by Commissioner Adams, with support from Commissioner Prochazka, to approve the minutes of July 25 as transcribed. The MOTION CARRIED.

The Chairman called on Funding Manager Dave Baker to present the 14 airport improvement projects pending Commission approval.

B. Federal/State/Local Projects

Airport Name & Associated City/County	Project Description	Federal \$	State \$	Local \$	Total \$
Padgham Field Allegan	Wetland credit bank purchase for runway realignment/extension	288,000	63,000	9,000	360,000
W.K. Kellogg Battle Creek	Supplemental transfer for site prep for new maintenance/SRE facility	285,000	7,500	7,500	300,000
Livingston County-Spencer J. Hardy Howell	Installation of airport perimeter fencing	264,000	57,750	8,250	330,000
Kalamazoo/Battle Creek Regional Kalamazoo	Terminal building design	750,000	19,737	19,737	789,474
Toledo Suburban Lambertville	Runway 27 obstruction analysis and threshold relocation, incl paved turnaround, PAPIs and paint marking	0	190,000	10,000	200,000
Lowell City Lowell	Approach clearing	0	71,250	3,750	75,000
Mackinac Island Mackinac Island	Design of rehabilitation of runway, taxiway & apron	114,000	6,000	0	120,000
Plainwell Municipal Plainwell	Tree clearing & survey	0	38,000	2,000	40,000
Oakland County Intl. Pontiac	Noise mitigation measures (07 program)	3,500,000	92,105	92,105	3,684,210
Ray Community Ray	Land acquisition (avigation easements) consultant costs for rwy 27 & 36 approaches	0	33,250	1,750	35,000
Sault Ste. Marie-Sanderson Sault Ste. Marie	SRE; terminal apron expansion w/connector	0	123,500	6,500	130,000

Airport Name & Associated City/County	Project Description	Federal \$	State \$	Local \$	Total \$
Statewide	MDOT/MDEQ MOU for environmental permits	0	40,000	0	40,000
Oakland/Troy Troy	Runway threshold relocation & beacon	46,400	10,150	1,450	58,000
Cherry Capital Traverse City	Part 405 survey & ALP update	109,195	2,873	2,874	114,942
Totals		5,356,595	755,115	164,916	6,276,626

Mr. Baker clarified that as projects are closed out in a given year money that has been programmed and obligated but not used comes back to the bureau. That money is then combined with like funding and used to finance smaller projects that may otherwise go unfunded. Projects of this ilk include repairs to approaches and runway safety areas at smaller airports.

Mr. Baker proceeded with supplemental transfers that had been approved by the Director between the last meeting and today's date:

Iron Mountain, Ford Airport: A 12 percent increase in federal/state/local funds has been approved to cover the higher than anticipated bids for the SRE plow truck with material spreader, 20-foot wide plow blade and hitch. The original project cost of \$375,000 has been increased by \$45,000, bringing the total project cost to \$420,000.

Romeo, Romeo State Airport: A 7.4 percent increase in federal/state/local funds has been approved to cover the additional funds needed to install a well and septic system for the terminal building and a concrete pad for the new fuel farm. The original project cost of \$935,650 has been increased by \$69,350, bringing the total project costs to \$1,005,000.

No official action is required on the supplementals.

The Chairman entertained a motion to approve the 14 transfers presented by Mr. Baker.

It was moved by Commissioner Adams, with support from Commissioner Woods, to approve the 14 transfers pending. By unanimous voice vote, the MOTION CARRIED.

At this juncture, the Chairman opened the floor for public comment.

IV. PUBLIC COMMENT

No requests were received for comment from the public.

The Chairman called on Director Abent for his "Director's Report."

V. REPORTS

Director's Report

Director Abent reported that through discussions with the various conference attendees, he had noted a heightened interest in the status of the state budget. He deferred to Commissioner Hank, MDOT's Chief Administrative Officer, for a budget briefing.

Commissioner Hank advised of a \$1.8 billion deficit in the state's budget for the new fiscal year, beginning October 1. Time is of the essence, he stated, and a deficit this big so late in the fiscal year is unprecedented. Critical negotiations are ongoing between the Legislature and the Governor's Office. Primary issues involve raising taxes and/or cutting services, including large parts of state government. A momentum for compromise is gaining ground. The Senate, he stated, has reached some agreement to raise taxes, to some degree, which may have broken the impasse that has kept state government in limbo for months. According to the Michigan Constitution, a balanced budget must be in place by October 1. He advised that the department has been asked to put together a plan for a government shutdown, an unprecedented action with respect to Michigan. If no solution is reached, the department will have to implement a shutdown. A review of revenue enhancement packages, such as increasing registration fees, et cetera, is taking place in both highways and aviation.

Commissioner Hank deferred to Commissioner Fedewa for additional comment.

Commissioner Fedewa endorsed the statements of Commissioner Hank. He noted that the Legislature's primary focus has been on the general fund. With respect to restricted funds, of which the DNR relies on almost exclusively, three restricted funds are in so-called structural deficit. One that is currently before the Legislature (license fees for fishing and hunting) is being held in abeyance due to the general fund issue. Deficits also exist with respect to the state parks and state forest programs. He indicated that the recent fire in the Upper Peninsula, which destroyed approximately 20,000 acres will be paid for through a supplemental transfer from the general fund. He opined that it will be difficult to get the Legislature to focus their attention on these important restricted fund issues and proposed a unified effort to refocus attention on restricted fund issues once the budget has been settled.

In follow-up, Commissioner Hank noted that MDOT's funds are restricted as well; that although MDOT's budget has passed both houses, it is currently in conference committee where members of both the House and Senate are trying to resolve the differences between the two bills. Most of

the funding needed for MDOT's programs is in place; however, disbursement of funds is on hold while the bigger issue of the general fund is being addressed.

Director Abent added that should the budget issue remain unresolved by midnight, September 30, all nonessential personnel will be asked to stay home until an agreement is reached.

James Koslosky, Airport Director, Gerald R. Ford International Airport, queried whether restricted funds, those generated through user fees, would be affected by the shutdown.

Commissioner Hank responded that all employees in state government would be asked to stay home if a shutdown occurs as there would be no authority to spend money of any kind. He added, a proposal to adopt a continuation budget for another 30, 60 or 90 days has a chance for approval; however, the Governor, is opposed to a continuation budget.

Mr. Koslosky regarded this situation as the prelude to "the perfect storm," since there may be a continuing resolution at the federal level, as well -- a situation like that of 1999, with multiple grant periods. He asked whether the state had a backup plan to make sure airport grants are processed and airports receive their federal funding.

Director Abent responded that there is a presumption that the budget issue will be resolved by midnight, September 30. If not, the department will work with the Governor's Office to identify staff that will need to be onboard to keep funds flowing.

Commissioner Hank added that a shutdown could have an unintended consequence of creating an awareness of services provided by the state. The Governor will ultimately have final say in who will be affected by a shutdown.

Commissioner Adams proposed exerting immediate pressure on the Legislature for action. Commissioner Hank concurred.

Continuing with his report, Director Abent called Administrators Pauline Misjak and Rick Hammond to the podium. He then asked Chairman Collins to join them.

To rousing applause, the Director, along with Administrators Misjak and Hammond, presented an engraved, walnut plaque with gavel to Chairman Collins to commemorate his year as Chairman. Director Abent commended the Chairman for his outstanding leadership. He noted that in spite of the economy, some pretty good things had been accomplished during the past year, due primarily to the Chairman's willingness to be on call whenever needed.

In follow-up, Chairman Collins regarded his tenure as an honor and a privilege. He lamented the economy's impact on plans to hold additional offsite meetings. He praised the Director and staff of the bureau for making his job easy. (Applause.)

Returning to the Agenda, the Chairman called on the Commissioner Everman, Chairman of the Nominating Committee, to present the nominations for officers for the fiscal year beginning

October 1, 2007.

V. ELECTIONS

Commissioner Everman read from a letter to Chairman Collins from himself dated September 12, 2007:

“Article IV of the Michigan Aeronautics Commission Bylaws requires that the Commission elect annually from its membership a chairperson and vice chairperson for a term of one year. In accordance with Article IV, and pursuant to agreement from the members of the Nominating Committee, comprised of Commissioners Sidney Adams, Jr. and myself, I hereby tender the following nominations for the offices of chairperson and vice chairperson of the Michigan Aeronautics Commission for the term beginning October 1, 2007:”

“For the Office of Chair, Commissioner Joyce Woods; and
for the Office of Vice Chair, Commissioner Sidney Adams, Jr.”

“Thank you for your consideration”

The Chairman opened the floor for follow-up nominations. Hearing none, he entertained a motion.

Whereupon Commissioner Hank moved to close the nominations and cast a unanimous ballot on the nominations as submitted. The motion was seconded by Commissioners Prochazka and Fedewa. By unanimous voice vote, the MOTION CARRIED.

Chairman Collins passed the gavel to Chairman-elect Joyce Woods.

Commissioner Woods concurred with the statements of Chairman Collins. She applauded the working relationship between the airport managers and staff of the Bureau of Aeronautics. She invited input from the audience on the direction of the Commission in the forthcoming year.

There being no further business before the Commission, Chairman-elect Woods declared the meeting adjourned.

The next meeting of the Aeronautics Commission is scheduled for November 28, 2007, in Lansing.

At approximately 10:35 a.m., the meeting adjourned.

Michigan Aeronautics Commission

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September 19, 2007

Director

Chairman

Dated: _____